



Visions

Charitable Estate & Financial Planning Ideas from The Rotary Foundation



Darcy and Doug Long (Sunshine Coast - Sechelt, District 5040) are Rotary Foundation Major Donors and Bequest Society members.

What Is Your Legacy?

Darcy and Doug Long are members of the Rotary Club of Sunshine Coast - Sechelt (District 5040). While he was chairman of the club's international service committee Doug was approached by a non-Rotarian friend interested in helping to bring fresh water to the people in Ndandini, Kenya. Doug's Rotary club decided to proceed with a Rotary Foundation matching grant application, which was approved. The friend then joined Rotary and took a leadership role in the project. The resulting well is now supplying the community with fresh water and the venture has expanded to include greenhouses. The village uses the funds from the greenhouse produce to maintain the well and improve the local school. The club has adopted the village of Ndandini and is continuing its work there.

Darcy and Doug were deeply moved by the work The Rotary Foundation and partnering clubs were able to accomplish in that one village and the impact on the lives of many children and their families.

Darcy and Doug saw an opportunity to support Rotary's efforts by leaving a gift to The Rotary Foundation as part of their estate and financial plans. Doug said, "This allows us to continue to control our finances and manage our assets during our lifetime, while leaving a legacy when we no longer need our property and resources. The work of The Rotary Foundation will continue doing good long after we no longer need the income."



"I know there are many Rotarians in Canada who will consider The Rotary Foundation in their estate planning when they have good and accurate information.

It is often said, half in jest, that money left to The Rotary Foundation is painless. This is not entirely true, as to do so requires careful planning. I personally think it is all worth the effort when you consider that forever, after you have gone, the programs

of The Rotary Foundation will continue to benefit. I urge each of you to seriously consider leaving a bequest to your, my, our Rotary Foundation."

—Robert Scott, Past RI Vice-President and Past Trustee Chair



Jan and Terry Umbach, Rotary Club of Sunshine Coast-Sechelt, with residents of Ndandini Village with water tank funded with TRF matching grant.

How to Leave a Rotary Legacy

It is a good feeling to provide meaningful support to charitable causes you care about. Whether you want to fund disease prevention and treatment, economic and community development, basic education and literacy, maternal and child health, water and sanitation, or peace and conflict prevention/resolution, you can do all of this through The Rotary Foundation (Canada).

It can sometimes be uncomfortable to make plans involving one's mortality. Some find it so unappealing they make an unconscious decision to not make plans. However, once the task is complete, having a proper will and other estate plans prepared can be one of the most satisfying accomplishments in a person's life. Consider the impact a few hours of planning can have on the eventual distribution of a lifetime's accumulation of assets.

By providing for a charitable bequest in one's will, the estate will benefit and receive a charitable tax receipt for the gift. This will help to offset any taxes payable to the government. Your family will receive the portion of the estate generously left for them and can proudly celebrate your legacy through your philanthropic dreams.

"Choosing to leave a gift from the heart to your Rotary Foundation can bring special meaning, worth and purpose to a life well lived. Making a gift in this way is an opportunity to ensure the local and international work of The Rotary Foundation that means most to you will continue long into the future. Personal generosity through a will can be a way to ensure your values and commitment continue. What better way to recognize how the work of Rotarians has had an impact on your life than to make a contribution from your estate through a bequest?"

A bequest to The Rotary Foundation can also be a very practical addition to a financial or estate plan when taxes are taken into consideration—even for those who think they may not have tax issues. In many cases, the tax burden left to relatives is lifted appreciably by a charitable gift."

*—Wilfrid J. Wilkinson, Trustee
and Past RI President 2007-08*



The Rotary Clubs of Vancouver Chinatown (District 5040), Port Moody (District 5050) and Windhoek, Namibia (District 9350) funded the construction of 60 bicycle ambulances for rural health clinics and villages in Namibia.

There are many ways to leave a gift to The Rotary Foundation (Canada):

- A gift in your will
- Gifts of life insurance
- Gifts from retirement assets (RRSPs or RRIFs)
- Gifts of securities
- Gifts of other property

Keeping your will or other estate plans up to date can be just as important as their original preparation.

Review your estate plans if...

- You move to another province or country.
- The person you selected to act as executor of the estate can no longer serve.
- You experience a change in financial circumstances, such as market fluctuations or acquiring new assets.
- There are births, deaths or changes in marital status among your loved ones.
- The needs of heirs and loved ones change.
- You acquire or sell real estate.
- You have sold or given away property.
- Tax laws change.
- Your philanthropic priorities change.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMXI RFSCO, Inc. All Rights Reserved. NFXX-11

Choosing the Right Option for You

Many are surprised to learn that there are tax-efficient ways to make charitable gifts in addition to or in lieu of provisions in a will.

Gifts of publicly traded securities

A gift of publicly traded securities is considered to be a disposition by the donor for Canadian tax purposes. Since May 2006, however, donations of publicly traded securities to a registered charity are exempt from the capital gains tax. These securities would include stocks, rights and debt obligations (typically bonds and debentures), mutual funds and interests in related segregated funds listed on a prescribed exchange.

Added benefit

In addition to the exemption from the capital gains tax, a donor also receives a charitable donation tax receipt for the Fair Market Value (FMV) of the donated securities, which can be used to reduce the donor's income taxes.

Gift of Cash vs. Securities*

	Sell shares and donate cash	Donate shares directly
FMV of Donation (a)	\$50,000	\$50,000
Adjusted Cost Base	\$10,000	\$10,000
Capital Gain	\$40,000	\$40,000
Taxable Capital Gain	\$20,000	\$0
Tax on Capital Gain (@ 46%) (b)	\$9,200	\$0
Tax Savings from Donation Tax Credit (c)	\$23,000	\$23,000
Total Cost of Donation = (a) + (b) - (c)	\$36,200	\$27,000

* This example is for illustration purposes (Ontario) for publicly traded securities with a Fair Market Value of \$50,000. All amounts are shown in Canadian dollars.

Use Your RRSPs and RRIFs to Fund Your Rotary Legacy

Naming The Rotary Foundation (Canada) as a partial or full beneficiary of your RRSP or RRIF is another tax-effective way to leave a legacy. This is because RRSPs and RRIFs are among the most highly taxed assets in your estate. A charitable receipt can be applied up to 100 percent in the year of death and in addition, can be carried back one year. The charitable tax receipt for the RRSP or RRIF that is donated to the Foundation will offset the taxes owed by your estate for the RRSP or RRIF proceeds that were donated to the Foundation.

As you consider your options for achieving your charitable and financial goals, please know The Rotary Foundation is here to assist you. There are many ways to structure gifts to maximize your benefit to loved ones! Let us know how we can help by contacting plannedgiving@rotary.org or 847-866-3100.



Microcredit recipients make pottery in Saradapally, Calcutta, India. This integration project takes place in this and four other neighbouring communities thanks to the Rotary Club of Calcutta Metropolitan (District 3290), along with international cosponsor Rotary Club of Medicine Hat, Canada (District 5360). The project has helped over 10,000 families through a five-year integrated plan of action.

Plan for the Future of Rotary

Bequest Society members, Bill and Nancy Gray (District 7040) are glad they joined the Bequest Society by including Rotary in their estate plans for \$10,000 or more.

"Nancy and I support the Permanent Fund as a way to honour and remember Rotarians and their families, to enable dreams to be made real and to underwrite future ideas and actions long after we have passed on. Our investments are a way of saying thank you and a consistent agent for world understanding and peace in changing times. My Rotary service work in many developing countries has enabled me to see the impact of The Rotary Foundation and to meet the people leading the effort and creating the peace," said Bill.

"We're pleased to add support for Rotary Centers for International Studies in Peace and Conflict Resolution so that we can help



Nancy and Bill Gray (District 7040) are Rotary Foundation Major Donors and Bequest Society members.

to endow this most important work. It's a brilliant program that warrants much more support than we can give. We encourage all Rotarians to support the Permanent Fund and the Peace Centers Initiative in a thoughtful and appropriate way. The Rotary Foundation belongs to all of us. We have a joint opportunity and responsibility to make it strong."

The Rotary Foundation would like to recognize your commitment to Rotary's global humanitarian and educational efforts. Two societies honor those who make plans to continue Rotary's mission into the future:

- The Rotary Foundation Bequest Society recognizes couples and individuals who provide a gift commitment of \$10,000 or more. Bequest Society membership includes an engraved crystal, a Bequest Society pin and invitations to special events.
- When you notify TRF of your plan to support the Permanent Fund through your estate plan or when you make an outright gift of \$1,000 or more directly to the Permanent Fund, you qualify as a Benefactor. We will thank you with a certificate and insignia for your Rotary pin.

Join the many generous Rotarians who have made commitments to the future of Rotary through the Permanent Fund.

For More Information

Carolyn Seabrook-Ferguson
Major Gift Officer
Zone 24
Phone: (905) 304-6831
Fax: (866) 854-8079
carolyn.seabrook-ferguson@rotary.org
www.trfcanada.org

Karena J. Bierman, J.D.
Manager of Gift Planning
The Rotary Foundation
1560 Sherman Ave. FN110 • Evanston, IL 60201
Phone: (847) 866-4458
plannedgiving@rotary.org
www.rotary.org/bequest



**The Rotary Foundation
of Rotary International**

This newsletter can be downloaded at www.rotary.org/visions.